



United States Department of the Interior

OFFICE OF THE ASSISTANT SECRETARY
POLICY, MANAGEMENT AND BUDGET
Washington, DC 20240



JAN 26 2005

Memorandum

To: Assistant Secretaries
Heads of Bureaus and Offices

From: P. Lynn Scarlett *P. Lynn Scarlett*
Assistant Secretary – Policy, Management and Budget

Subject: Fiscal Year 2004 Annual Report on Environmental Auditing

The Department of the Interior's mission is complex, multi-faceted, and challenging. We provide recreation opportunities. We provide access to resources and protect some of the Nation's most significant cultural, historic, and natural places. We serve communities and fulfill our trust and other responsibilities to American Indians, Alaska natives, and the Nation's affiliated island communities. As the Nation's premier conservation agency, our responsibilities in leaving a legacy of healthy lands and waters, thriving communities, and dynamic economies depend upon our compliance with environmental laws and regulations with the help of our 70,000 employees, 200,000 volunteers, and thousands of partners.

Behind all of the Department's programs rests a management foundation that is vital to the accomplishment of our mission. The American people are demanding more from their public servants and calling for better business management practices, improved efficiency, financial transparency, and mission accountability. The Department continues to support the President's Management Agenda that builds on a foundation for management excellence. As part of the President's Management Agenda, the President's Management Council has directed Federal agencies to improve their overall environmental compliance and performance. Environmental auditing was identified as a targeted area for management improvement of its environmental compliance and performance. Since environmental compliance serves as the base for a successful environmental management systems program, environmental auditing was incorporated into all Bureaus' EMS efforts (see 518 DM 4).

For fiscal year 2004, the Bureaus reported a total of 3,343 facilities, with a total of 539 environmental audits performed. Collectively, Bureaus reported a total of 6,241 audit findings with 3,411 corrective actions completed, based upon these audit findings. A cumulative total of 2,831 environmental audits have been completed to date for all-years (see attached). However, 83.2 per cent of initial environmental audits have been completed to date, short of the Department's FY 2004 goal of 86 per cent. (Bureaus were to complete initial environmental audits of their facilities by September 30, 2002).

The Department must be fully committed to reducing adverse environmental impacts to public lands and natural resources and to enhance compliance, which was referenced in the Secretary's memorandum of August 26, 2003. All Bureaus must have an EMS policy or directive and audit their appropriate facilities whether or not they are in owned or leased space. Assistant Secretaries and Heads of Bureaus and Offices must ensure that senior level managers are fully implementing the requirements of these departmental policies.

If you have any questions, please contact Willie R. Taylor, Director, Office of Environmental Policy and Compliance, at (202) 208-3891.

Attachments

cc: Solicitor

ATTACHMENT

U.S. Department of the Interior Bureau Summary of Environmental Auditing Programs and Activities for Fiscal Year 2004

Bureau	Total Reported Facilities	Audits Performed	Reported Findings	Corrective Actions Completed	Cumulative Audits Performed (all-years)	Average Cost Per Audit
BIA	348	72	1647	4	375	\$149,535▪ \$172,700^
BLM	120*	25	958	1701***	250	\$2,000▪ \$13,000^
BOR	351	114	67	81***	345	\$4,280▪ (in-house only)
FWS	854	205	972	385	863	\$2,440▪
MMS	1**	-	-	-	-	-
NBC	34	0	0	0	2	\$3,500^ (contract only)
NPS	388	57	1721	430	410	\$10,500▪
NPS Concessions (NPS-C)	590	44	606	694	124	\$4,539▪ \$5,173^
OSM	28	-	-	-	-	-
USGS	690	22	270	120	462	\$6,407▪ \$8,333^
DOI Total	3,404	539	6,241	3,415	2,831	N/A

Notes:

- * BLM uses the term "organizational units" and not facilities.
2. ** MMS has 19 offices nationwide that include 16-GSA leased, 2-GSA owned, and 1-DOI controlled.
3. *** Both BLM and BOR corrective actions completed reported in FY 2004 include carryovers from previous audits in prior years.
4. ▪ Means in-house support.
5. ^ Means contract support.

Major Audit Issues Identified by Bureaus in Fiscal Year 2004

Bureau	Major Audit Issues Identified in FY 2004	Bureau Comments
BIA	<ul style="list-style-type: none"> a. Inadequate emergency planning for hazardous materials releases. b. Uncharacterized and unremediated releases of hazardous substances, oils products or wastes. c. Employee training is needed in OSHA Hazard Communication requirements and hazardous materials management. 	<p>Although lack of BIA resources remain a significant barrier to addressing audit findings, BIA will work to enhance the corrective action process and to ensure that audit findings are corrected in a timely manner.</p>
BLM	<ul style="list-style-type: none"> a. Lack of hazard specific training. b. Inadequate operation and maintenance of drinking water systems. c. Improper storage of hazardous materials, wastes, and used oil. 	<p>A program evaluation of the BLM Compliance Assessment – Safety, Health and the Environment Program was completed in FY 2004. The evaluation made recommendations to improve interaction with management, contracting, data management and communications. Those recommendations received the support of upper management within BLM. Implementation of those recommendations will begin in FY 2005.</p>
BOR	<ul style="list-style-type: none"> a. Inadequate spill prevention control and countermeasures planning. b. Inadequate procedures for hazardous waste disposal and accumulation. c. Employee training is needed in OSHA Hazard 	<p>One change in the audit program this year was the retirement of the former Upper Colorado Regional Coordinator. That region is</p>

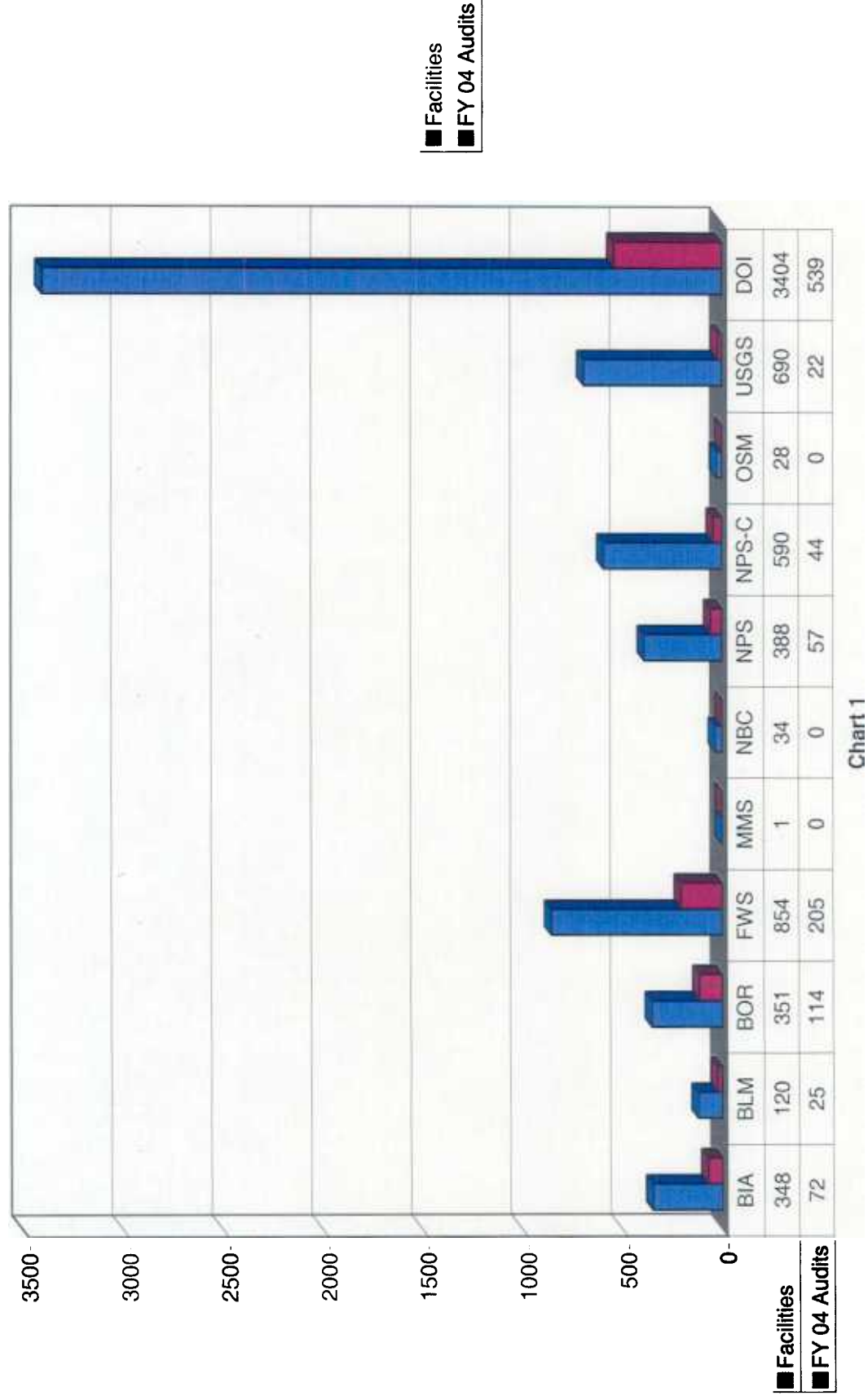
BOR (continued)	Communication requirements and hazardous materials management.	currently training a new regional coordinator and ensuring that their offices conduct audits and receive training as needed. BOR regional staff assignments to higher priority projects, and annual reductions to requested budget appropriations for implementation of the hazardous materials program in the Great Plains Region, has reduced the number of audits that can be completed in the fiscal year.
FWS	<ul style="list-style-type: none"> a. Incompatible materials storage. b. Improper management of hazardous waste. c. Incomplete hazard communication plans. 	Formal audits require a site visit to the facility. Onsite, the auditors conduct record searches, interviews, and a site survey to determine the compliance status of the facility. These audits are accomplished by the Region and performed by a team of 1-2 individuals consisting of the Environmental and Facility Compliance staff or Regional Office personnel or a combination of both. Informal audits are performed by the Facility Manager through the use of an informal audit questionnaire and Federal and State Handbooks. The

FWS (continued)		<p>facility personnel physically walk through their facility and address each applicable item in the questionnaire and perform a telephone review of the questionnaire with the Regional Compliance Coordinator (RCC). This is a detailed visual inspection of each building and associated facilities. The RCC then determines if a report or memorandum is necessary to document the informal audit. The results are then entered into the national auditing database. The auditing program was impacted by travel restrictions imposed on all bureaus in FY 2004. To compensate, the FWS accomplished more informal audits.</p>
NBC (Office of Aircraft Services)	a. No known deficiencies exist in the current maintenance hangar operation.	<p>The NBC has requested funding in its annual budget since FY 2002 to bring itself into full compliance. Despite the lack of adequate funding, NBC continues to improve its environmental program, but will not be able to be fully compliant until appropriate funding is received. The NBC is legally authorized to operate as a fee-for-service, full-cost-</p>

NPS Concessions (continued)	NPS Concessions (continued)	<p>non-appropriated funds received from money paid by concessioners (i.e., franchise fee) to the NPS. The lack of appropriated funding for concessioner environmental audits limits the number of baseline audits to be conducted to approximately 35 per year (an average of only 5% of the 590 concession operation environmental audits per year). Second, the Concessions Environmental Audit System (CEAS) audit schedule is directly linked to, and driven by, concession contract status and dates for expiration and/or award of a new concession contract. The information gathered from the CoEMP CEAS audit process often is used for development of contract standards, requirements and responsibilities for environmental management. By the end of 2005, approximately 65% of concession contracts will expire, and continue to drive what concessioners are audited in order to provide environmental information for inclusion in the new concession contract.</p>
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USGS	<ul style="list-style-type: none"> a. Uncharacterized or unknown waste streams. b. Improper labeling and management of hazardous waste. c. Inadequate training in waste handling and awareness. 	<p>In early FY 2004, due to continued system design and functionality problems, the USGS discontinued its Web-based automation system. During the interim time period between automated systems, (length of time will be dependent upon funding), the USGS' ability to collect bureau wide data for the purpose of directing its program will be limited. Similarly, the release of the DOI University Web-based environmental training is being extended out into FY 2005. These impacts are temporary, and the USGS expects that by the end of FY 2005, operational systems will be in place for full environmental compliance and EMS implementation.</p>
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FY 2004 Environmental Audit Summary



FY 2004 Environmental Audit Findings and Corrective Actions Completed

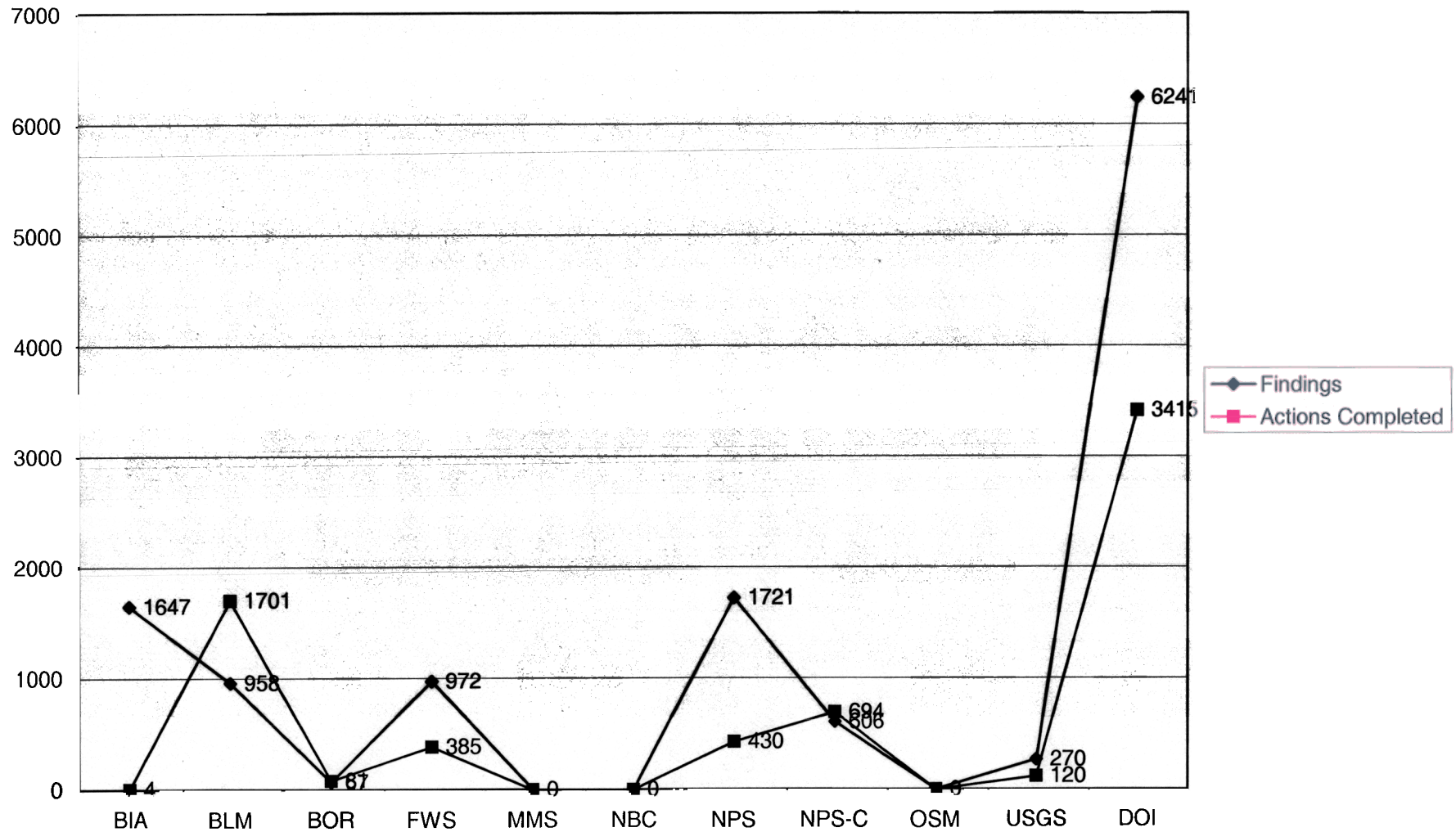


Chart 2

Cumulative Number of Environmental Audits Performed (all-years) in DOI Facilities as Reported by Bureaus in FY 2004

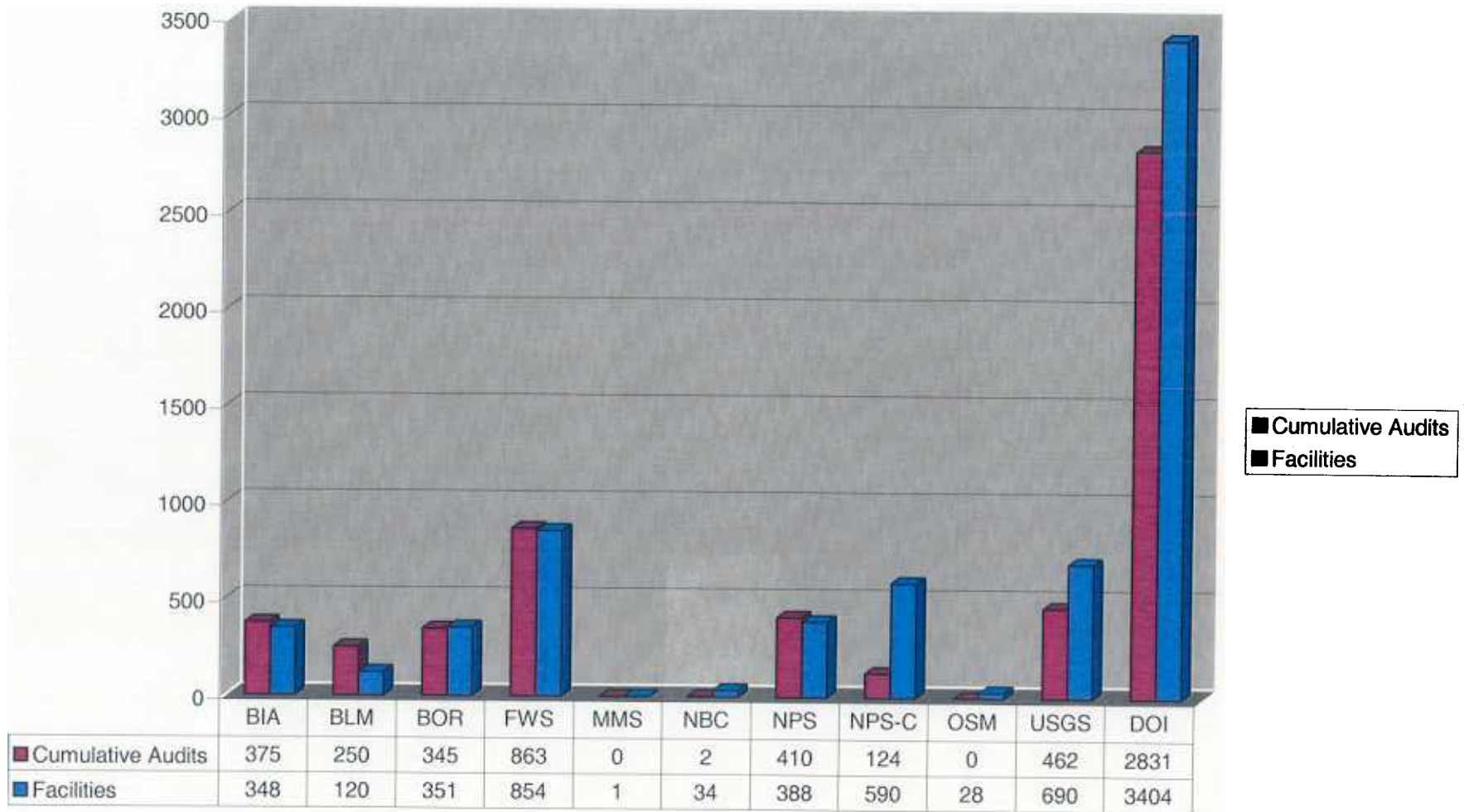


Chart 3

Average In-house Costs v. Contract Costs for Environmental Audits by Bureau in FY 2004

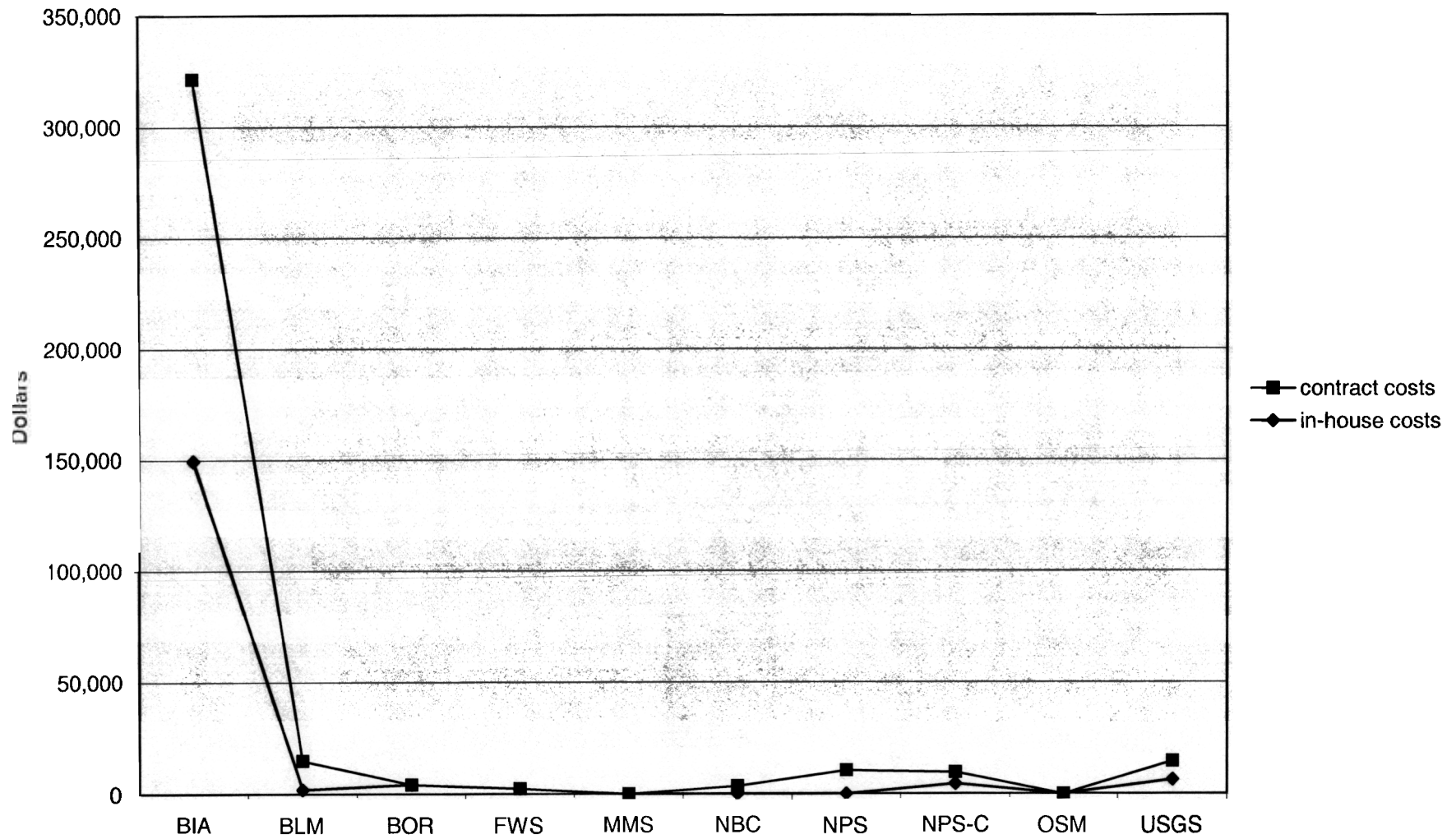


Chart 4